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Organizational matters

Report of the first regular session 2015 (26 to 30 January 2015, New York)

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I. Organizational matters

1. The first regular session 2015 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters, New York, from 26 to 30 January 2015. The President of the Board welcomed all delegations and thanked the outgoing President and Vice-Presidents for their leadership and commitment to the work of the Board in 2014. He congratulated the new members of the Bureau on their election.

2. In accordance with rule 7 of the rules of procedure of the Executive Board, the Board elected the following members of the Bureau for 2015:

President:	H.E. Mr. Fernando Carrera	(Guatemala)
Vice-President	Mr. Sahak Sargsyan	(Armenia)
Vice-President:	H.E. Mr. Hiroshi Minami	(Japan)
Vice-President:	H.E. Mr. Kelebone Maope	(Lesotho)
Vice-President:	H.E. Mr. Durga Prasad Bhattarai	(Nepal)

3. The Executive Board approved the agenda and workplan for its first regular session 2015 (DP/2015/L.1), and approved the report of the second regular session 2014 (DP/2015/1). The Board adopted the annual workplan for 2015 (DP/2015/CRP.1) and approved the tentative workplan for the annual session 2015.

4. Decisions adopted by the Executive Board in 2014 appeared in document DP/2015/2, which was available on the Executive Board website.

5. The Executive Board agreed in decision 2015/6 to the following schedule for future sessions of the Executive Board in 2015:

Annual session 2015	1 to 12 June 2015 (New York)
Second regular session 2015:	1 to 4 September 2015

UNDP segment

II. Statement by the Administrator and financial, budgetary and administrative matters

6. In her opening remarks to the Executive Board (available on the Executive Board website), the Administrator thanked the outgoing President and Vice-Presidents for their commitment and support throughout 2014 and congratulated the newly elected President and Vice-Presidents for 2015. The session was webcast live and, in a short film, the Administrator highlighted UNDP work in 2014. The Administrator acknowledged in moving terms the sad passing of former Executive Board Chair and Permanent Representative of Sweden, H.E. Mr. Mårten Grunditz, who had been a strong support to UNDP.

7. As part of her statement, the Administrator presented the report on direct budget support, 2008-2014 (DP/2015/3), based on UNDP experiences in Burkina Faso and Nepal. UNDP affirmed that providing direct budget support was an important policy option that should remain at its disposal in response to country demand, subject to agreed risk safeguards; it sought Board approval to continue using the policy.

8. Reflecting on 2014, the Administrator focused on UNDP early recovery work in response to crises across the world. She spoke in particular of its work in Syria, where in the context of the Strategic Response Plan UNDP offered emergency livelihood support to displaced

populations, especially the most vulnerable. She highlighted UNDP activities in the Central African Republic, South Sudan, Mali, Ukraine and Yemen in areas ranging from electoral assistance, inclusive political dialogue, law and order, peace and reconciliation, justice and governance, constitutional development, transitional justice, early recovery and support for the internally displaced. On the Ebola crisis, UNDP had played its full part in efforts to stop the outbreak, and was the designated lead for the United Nations system on supporting recovery.

9. Looking ahead, the Administrator stressed the huge opportunity 2015 represented for advancing the global sustainable development agenda, mentioning in particular the General Assembly 70th session in September 2015 in which Member States would agree on the post-2015 development agenda and new sustainable development goals (SDGs). She highlighted the importance of three other international events: the Third World Conference on Disaster Risk Reduction in March; the Third International Conference on Financing for Development in July; and the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in December. The outcomes of each would be more powerful if there were synergies between them, so that eradicating poverty, building resilience and reducing carbon emissions would go hand in hand. With that in mind, she urged Member States to take a 'whole-of-government' approach to the related negotiations.

10. Given its expertise and experience, UNDP, she noted, was particularly well equipped to help countries deliver the integrated sustainable development solutions required to meet the future SDGs. In 2015, the organization tackled the second year of its strategic plan, 2014-2017, having already implemented most of the organizational restructuring aimed at being better equipped to deliver on the plan. The review would bring with it a culture change internally built on a new, comprehensive internal accountability framework grounded in the Board-approved UNDP accountability framework. It would go hand in hand with the strengthening of quality assurance processes and better internal planning tools, such as the new annual business plan, which followed 'critical pathways' that helped manage work under the strategic plan.

11. Underpinning those reinforcements was the new resource mobilization strategy, whose main objectives included: (a) mobilizing a 'critical mass' of resources to protect core revenue and reverse its downward trend, while increasing the proportion of minimally earmarked UNDP funding; (b) adopting a more coordinated approach to mobilizing non-core resources for policy and programme activities; and (c) diversifying the resource base, drawing funds not only from a wider range of governments but also from beyond governments. She looked forward to continued engagement with Member States on the new strategy and through the planned structured dialogue. Highlighting UNDP commitment to transparency and accountability, she stressed the organization's first-place ranking as the most transparent aid organization in the world in the 2014 Aid Transparency Index.

12. The Administrator emphasized the organization's commitment to South-South and triangular cooperation as important tools for advancing human and sustainable development. UNDP hosting of the United Nations Office for South-South Cooperation was central to that commitment. She underscored UNDP commitment to its responsibilities and leadership role in the United Nations development system, and highlighted how the United Nations Development Group (UNDG) was working to deliver more coherent, effective and efficient support to programme countries as they transition to the SDGs. Central to that collective effort were measures to improve the way UNDG members planned, designed, monitored and implemented together, including by building on delivering-as-one and self-starter experiences, which had been funnelled into the new standard operating procedures. Key to its success was ensuring predictable, secure funding for the resident coordinator system through, in particular, the system-wide cost-sharing arrangement approved in 2014.

13. Board members thanked the Administrator for her statement and welcomed the newly elected President and Vice-Presidents for 2015. They concurred that 2015 was a year of crucial importance and, commending it for its work to date, underlined the central role UNDP and the

United Nations system had to continue to play in the design and implementation of the post-2015 development agenda and the future sustainable development goals. UNDP was well positioned to support partners in understanding and tackling the multidimensional aspects poverty and inequality, strengthening democratic governance and building resilience to sustain development gains. They sought the organization's ongoing technical expertise and input on a range of topics to help ensure the final goals were ambitious, actionable, measureable and implementable. They saw UNDP actively involved in the year's three important conferences on financing for development, disaster risk reduction and climate change, in addition to September's General Assembly summit on the post-2015 development agenda.

14. They commended UNDP for its work in conflict and crisis settings that plagued different regions, highlighting in particular the conflict in the Syrian Arab Republic and the Ebola outbreak in West Africa. They underlined the organization's crucial early recovery work and its crisis response activities focused on longer-term development in collaboration with humanitarian actors. They sought UNDP leadership in ensuring an integrated United Nations system approach to peacebuilding, and the mainstreaming of conflict sensitivity in its own policy and programme work areas.

15. Across the board, delegations stressed that the organization's overarching mandate – as per its strategic plan, 2014-2017, and the quadrennial review of operational activities for development of the United Nations system – must remain poverty eradication and inclusive growth, prerequisites for realizing sustainable development, especially in the least developed countries, and towards which all efforts for greater corporate efficiency and effectiveness had to be geared. UNDP should continue to accord particular attention to capacity building in helping countries to transition from the Millennium Development Goals to the SDGs. They underlined the special needs of middle-income countries and small island developing states (SIDS), noting the International Year of SIDS in 2014 had ended with the adoption of the Samoa Pathway agreement. They encouraged UNDP to actively support the SIDS agenda and to ensure the fair, accurate and predictable distribution of regular resources to the region.

16. Member States continued to voice their support for the structural reform exercise, by which UNDP was becoming fit-for-purpose to deliver against its strategic plan and the quadrennial review and to engage the post-2015 development agenda. They stressed the importance of building a solid performance management culture, including strengthened evidenced-based reporting capacity, financial oversight, human resource management and effective administration of justice. A large number of Board members, however, also expressed concern that the exercise was adversely affecting the balance of UNDP staff from developed and developing countries, and stressed the importance for UNDP to remain egalitarian and transparent throughout the process and to update Board members on a regular basis.

17. On the issue of direct budget support, delegations were pleased with UNDP efforts to clarify the situation and adopt a more cautious approach based on its experiences in Burkina Faso and Nepal, for which they requested evaluations be conducted and lessons learned documented so the Executive Board could decide on the future of this financing instrument. They commended in particular UNDP provisions to use direct budget support only when it had determined it to be the most effective way to achieve results – where there was a shared vision with the receiving government on policies and values, respect for national ownership and a careful risk assessment. They indicated that UNDP use direct budget support only for sector-specific themes grounded in capacity development, and to update its corporate procedures in order to allay perceived bottlenecks and develop a risk management framework better adapted to direct budget support operations.

18. Voicing their continued concern over the regular (core)/other (non-core) resources imbalance, delegations called on Member States in a position to do so to increase core contributions and improve the quality of non-core resources. They recognized the critical mass issue both from an institutional and programmatic perspective, but stated it should not

negatively affect programming activities in developing countries through the redirecting of resources to cover UNDP operational costs. The exercise should focus rather on aligning UNDP with the needs of programme countries while mobilizing financial resources for the programme budget. They stressed that funding for development activities should not tied to conditionalities or assigned focus areas, but allocated according to national priorities.

19. Board members encouraged UNDP to continue to seek out and engage in new partnerships, going beyond traditional development cooperation to reflect new geopolitical realities, encompassing South-South and triangular cooperation, civil society and the private sector, as well as local governments and cross-border territorial partnerships. In that regard, they expressed strong support for UNDP work on South-South and triangular cooperation and technology transfer through innovative approaches, and some Member States urged it to give the United Nations Office for South-South Cooperation increased human and financial resources.

20. The important role of UNDP within the United Nations development system received Member States' strong recognition and support. They expected that role to become even more apparent in the post-2015 development world, and looked to UNDP to lead UNDG in its work to make the United Nations system of organizations fit-for-purpose to address the post-2015 development challenges.

21. A group of delegations discussed the advantages and disadvantages of the established practice of alternating the annual meetings of the Executive Board between New York and Geneva. They sought further, more detailed information on the different alternatives, based on objective, evidence-based analysis, and reflecting the views not only of Member States but also of United Nations organizations based in New York and Geneva. Placing the issue within the broader United Nations governance debate, they urged the Board not to take a decision until it had a complete picture of the pros and cons of alternating annual sessions.

22. In response, the Administrator thanked Board members for their support and commitment to UNDP, including its role in supporting the post-2015 process. She assured the Board that poverty eradication was the organization's top priority and at the heart of its strategic plan. UNDP had played its full part in implementing the quadrennial review, working with other UNDG members and with the United Nations Department of Economic and Social Affairs, and had contributed to the report of the Secretary-General to be presented at the Economic and Social Council's operational activities segment in 2015.

23. The Administrator welcomed the strong emphasis by many Board members on the UNDP role in disaster risk reduction and in addressing climate change. She emphasized the importance of finding synergies across all upcoming major international frameworks: the post-2015 agenda, the financing for development conference outcome, the new global framework for disaster risk management, and the global agreement on climate change. She stressed that UNDP was engaged in all those major global processes.

24. The Administrator emphasized that UNDP fully agreed with the need for an integrated approach to peacebuilding, aimed at strengthening the foundations for longer-term development. The new UNDP organizational structure was in line with that approach and UNDP was committed to working with United Nations partners to promote coherent system-wide approaches to peacebuilding and strengthening resilience, including bridging the gap between humanitarian and development action.

25. Regarding UNDP restructuring and human resources, the Administrator stressed that the internal structural change process had been transparent and fair, while highlighting, in response to concerns expressed, that as of December 2014 the overall balance of staff from developed and developing countries in positions filled had shifted in favour of staff from the South. Staff were the organization's greatest asset and UNDP sought to improve recruitment, development and performance management processes.

26. With regard to the small island developing states, she highlighted that UNDP was stepping up its work and was engaged with partners in devising innovative solutions to address their specific needs. She also highlighted that UNDP was actively promoting South-South and triangular cooperation in all its work and was fully committed to its hosting of the United Nations Office for South-South Cooperation.

27. On funding issues, the Administrator highlighted that UNDP sought to address the core/non-core resources imbalance through the new resource mobilization strategy. A larger, more stable core resource base enabled UNDP to deliver more effectively on its strategic plan, while more minimally earmarked non-core resources helped UNDP to work strategically and respond quickly to crises. She encouraged Member States in a position to do so to step up contributions to core resources and to use the new funding windows, which constituted a good vehicle for minimally earmarked resources. On direct budget support, UNDP focused on sector-wide budget activities, with support to specific national institutions, earmarked to select sectors, coupled with capacity development, and based on necessary safeguards. She requested that the Board allow the pilot period to continue.

28. On evaluation, UNDP was committed to working with Member States in developing and strengthening a robust evaluation policy and corporate function, with a genuinely independent Evaluation Office, built on the highest international standards and best practices and buttressed by a strong corporate results-based management culture. In order to safeguard the independence of evaluators, UNDP was decoupling the payment of consultants from the management of decentralized evaluations, establishing a hotline for reporting questionable treatment of evaluators, and creating a repository of completed evaluations to compare with final reports submitted. Monitoring and evaluation capacity was key; UNDP had assigned monitoring and evaluation experts to country offices, the number of staff members varying in line with programme size. She noted that a 2014 United Nations Joint Inspection Unit review rated UNDP as the top evaluation performer in the United Nations system, and stressed that UNDP welcomed independent external reviews measuring its performance. In sum, UNDP was committed to building a culture of quality programming and evidenced-based monitoring and reporting of results at the global, regional and country levels.

29. On the alternating venue of Board sessions between New York and Geneva, she noted that while UNDP recognized the opportunity Geneva-based venues held for engagement with other United Nations constituencies, and while it appreciated the cost concerns related to holding meetings in Geneva, it was an issue the Board had to decide on through its rules and procedures.

30. The Executive Board adopted decision 2015/1: report on direct budget support, 2008-2014.

III. Country programmes and related matters

31. The Associate Administrator, UNDP, introduced the item and presented the draft country programme documents for Chile (DP/DCP/CHL/3), Guatemala (DP/DCP/GTM/3), Madagascar (DP/DCP/MDG/3) and Mali (DP/DCP/MLI/3), as well as the second nine-month extension of the country programme for Colombia, and the first two-year extensions of the country programmes for Myanmar and Papua New Guinea (DP/2015/4 and corr.1).

32. The Permanent Representative of Chile, the Permanent Representative of Guatemala, the Permanent Representative of Madagascar and the Permanent Representative of Mali elaborated on the draft country programme documents for Chile, Guatemala, Madagascar and Mali, respectively. The Permanent Representative of Columbia elaborated on the second nine-month extension of the country programme for Columbia.

33. The Regional Director, Regional Bureau for Latin America and the Caribbean, UNDP, presented and elaborated on the draft country programme documents for Chile and Guatemala.

as well as the second nine-month extension of the country programme for Columbia, elaborating on them from the regional perspective. The Deputy Director, Regional Bureau for Africa, UNDP, presented and elaborated on the draft country programme documents for Madagascar and Mali from the regional perspective.

34. The Executive Board reviewed and approved, in accordance with its decision 2014/7, the following country programme documents: Chile, Guatemala, Madagascar and Mali.

35. The Executive Board approved the second nine-month extension of the country programme for Columbia and the first two-year extension of the country programmes for the Myanmar and Papua New Guinea.

IV. Evaluation

36. The President of the Board introduced the item and the review of the UNDP evaluation policy (DP/2015/5), indicating that because a summary of the review had been distributed to Member States in advance, there would be no formal UNDP presentation on the review.

37. The Associate Administrator, UNDP, introduced and elaborated on the management response to the review of the UNDP evaluation policy (DP/2015/6).

38. The Director, Independent Evaluation Office, UNDP, presented and elaborated on the Independent Evaluation Office response to the review of the UNDP evaluation policy (DP/2015/7).

39. Underscoring the importance they attached to a strong evaluation function, Board members appreciated UNDP conducting a review of its evaluation policy, which had identified a broad range of challenges, and they welcomed the separate responses from UNDP and the Independent Evaluation Office. They stressed that the evaluation function should be viewed as a useful, required tool for organizational and individual learning and accountability.

40. Member States looked forward to a well-defined response to those challenges, including: (a) a holistic and continued push across the organization to nurture a results-oriented planning, monitoring and reporting culture that would improve staff responsiveness to evaluations while safeguarding evaluations' independence, quality and usefulness; (b) a clearly defined roadmap for the preparation of the revised evaluation policy; and (c) series of informal Board consultations on the draft of the revised policy ahead of annual session.

41. The most difficult set of challenges the new policy had to address, Board members noted, lay with the quality, impartiality and independence of decentralized evaluations, the findings for which indicated the regular lack of reliable data on programme performance. This situation deprived UNDP of the evidence it needed to make sound resource allocation and programming decisions, and donors the evidence they needed to justify their investments, while giving programme countries only limited knowledge of UNDP contributions to their development. The new policy should provide the needed guidance on how to improve decentralized evaluations.

42. Delegations drew attention to the report of UNDP on the implementation of the recommendations of the Board of Auditors for 2013 (DP/2015/8). While recognizing the encouraging findings on UNDP management of country level resources, they expressed concern over the lack of performance indicators, baseline data and defined targets, which underlined the link between quality results-based management and the evaluation function. They looked forward to a clear policy for assessing country-level results that would articulate criteria for determining when (or not) to undertake a decentralized evaluation. The policy should: delineate oversight and roles and responsibilities; define measures to ensure the independence of the evaluation from the management function; lay out mechanisms for effective responses to evaluations at all levels and for monitoring management actions; and be supported by an operational action plan. The new policy should articulate a time-bound mechanism and clear

responsibilities for tracking the implementation status of management actions at all levels, corporate and decentralized.

43. The Independent Evaluation Office had a crucial role to play in providing guidance, norms and standards for decentralized evaluations, in supporting UNDP management in its efforts to foster an effective evaluating and leaning culture, and in ensuring quality assessments. The new policy should clarify responsibilities and mechanisms for improving enforcement guidelines, as well as define the role of the office in the quality assurance of decentralized evaluations.

44. Delegations concurred with the Independent Evaluation Office's capacity building proposals for addressing the impartiality issue of decentralized evaluations, although they suggested more be done to tackle broader systemic challenges. They fully agreed that conducting a large number of minimally funded annual decentralized evaluations might not be the best approach, and encouraged UNDP to consider replacing them with project completion reports or end-of-project reviews when appropriate, following which the Independent Evaluation Office could undertake quality assessment missions to a small percentage of countries conducting those reviews.

45. Board members underlined the critical importance of adequate funding for an independent evaluation function. The new policy should define the mechanisms for allocating resources to all aspects of the evaluation function and to the Independent Evaluation Office. Delegations stressed the need for UNDP management to consult with and provide the Board with more details on oversight funding (including budget lines distinguishing between monitoring and evaluation expenditures and between corporate and decentralized evaluation), and to ensure, in accordance with existing policy, that the Board annually approved a costed work programme for the Independent Evaluation Office. In close collaboration with the Board, UNDP and the Independent Evaluation Office should carefully consider the costs and benefits of various scenarios for improving the evaluation policy and function and share the first complete draft of the revised policy with the Board in due time ahead of the annual session 2015.

46. The new policy should also define the Board's governance functions. While recognizing, as stated above, that the evaluation policy should clearly articulate the delineation of roles and responsibilities for oversight and conduct of evaluations and reviews, and define the necessary measures to ensure the independence of the evaluation function from the management function, delegations stressed that Board members needed to reflect carefully on how closely it should become involved in the execution of the evaluation function. Some saw the need to further strengthen the independent character of the post of Director of the Independent Evaluation Office and the operational independence of the Office. Others suggested UNDP should ensure the Board was formally involved in the recruitment process of the Director, including approval through an independent panel designated or approved by the Board, with the majority of panel members consisting of external evaluation experts.

47. The Associate Administrator, UNDP, assured Board members that UNDP would establish a roadmap and conduct regular consultations with the Board in redesigning the new evaluation policy. She reaffirmed the UNDP commitment to a robust evaluation function, which, she stressed, had to have the independence to define its programme of work, a budget within the organization's means, and the freedom to determine the conclusions and findings of its evaluation analysis. She highlighted that the quality of evaluations was as important as the independence of evaluators. On the four main issues Board members rose – quality of decentralized evaluations, independence, budget and tracking – UNDP was keenly focused on strengthening its decentralized evaluations, having prepared an annual strategy for decentralized evaluations to address normative, capacity and evidence-building culture issues throughout the organization. UNDP already had an evaluation tracking system in place called the Evaluation Resource Database, and country offices were required to demonstrate their use of evaluation findings in country programmes.

48. The Director, Bureau for Policy and Programme Support, UNDP, reiterated the UNDP commitment to a strong evaluation function and culture, especially through good country-level reporting capacity and through evaluations that informed strategic management decisions. Beginning in 2015, in UNDP programmes exceeding $50 million, country offices would each have two monitoring and evaluation experts. For programmes between $10 and $50 million, country offices would have one fulltime monitoring and evaluation expert. For those below $10 million, the relevant regional service centre would provide the monitoring and evaluation capacity. Given limits to the UNDP ability to independently verify all its evaluations, the organization opted for more a focused, high quality programme of evaluations. The new policy should include measures to ensure efficient mechanisms for zero tolerance against pressure on evaluators; a professionalized decentralized evaluation system; total separation of authority over payments to evaluators from programme management; and the integrity of findings and recommendations guaranteed through a repository of documents that evaluators provide management. UNDP was committed to strengthening independence, improving quality, maintaining fiscal coherence priorities, and embracing best practices on evaluation-related governance and appointment of officials. Senior management was pleased to acknowledge that UNDP commitment to a strong evaluation culture had been recognized in the 2014 Joint Inspection Unit analysis of the evaluation function in the United Nations system. According to the report, UNDP was a top performer, scoring four out of five points on independence, relevance, enabling environment, reliability and credibility of evaluations.

49. The Director, Independent Evaluation Office, UNDP, looked forward to working with Board members in crafting the new evaluation policy, which would prove to be a good learning experience all around. He stressed that evaluation challenges were complex and would require prioritization in order to be addressed properly. The Board's input was therefore fundamental. UNDP and the Independent Evaluation Office could already begin to better align all corporate oversight functions; he looked forward to engaging further with management to improve both accountability and learning to ensure UNDP progressed as it should.

50. The Executive Board took note of the review of the UNDP evaluation policy.

UNFPA segment

V. Statement by the Executive Director and oversight

51. In his statement to the Executive Board (available on the UNFPA Executive Board website), the Executive Director, UNFPA, thanked the outgoing President and Vice-Presidents for their commitment, leadership and guidance throughout 2014, which were critical for the success of the 20-year review of the International Conference on Population and Development (ICPD). The Executive Director acknowledged in moving terms the sad passing of the former Executive Board Chair and Permanent Representative of Sweden, H.E. Mr. Mårten Grunditz, who had been a strong support to UNFPA. He also congratulated the newly elected President and Vice-Presidents for 2015, noting that it would be a pivotal year for the international development community as it moved toward finalizing the post-2015 agenda and the future sustainable development goals.

52. While the ICPD review demonstrated the progress made in 20 years, the Executive Director stressed that any future set of common goals would only succeed if grounded in the principles of inclusive growth and human rights, without which grave inequalities would emerge. In 2014, the world faced an unprecedented number of complex challenges, from the crisis in the Syrian Arab Republic to the Ebola outbreak in West Africa to the entrenched epidemic of gender-based violence. The current year offered a great opportunity for the world to unite around a common agenda built on the principles of inclusive growth and human rights. He underlined the importance of the upcoming Third International Conference on Financing for

Development in Addis Ababa in July as an opportunity to make the right investments focused on people, especially those most in need.

53. UNFPA remained firmly committed to fulfilling its mandate: fighting for the sexual and reproductive health and reproductive rights of all people; ensuring no woman dies giving life; and helping young people realize their full potential in dignity and through respect for human rights. Driving its change agenda, UNFPA would focus on five priority areas: (a) strengthening the provision of quality reproductive health services, especially as related to Millennium Development Goal 5; (b) fulfilling its development strategy for young people, in particular adolescent girls; (c) facilitating South-South and triangular cooperation; (d) establishing UNFPA as a centre of excellence in data for development; and (e) reinforcing its humanitarian work, focusing on gender-based violence. Success hinged on investing in youth, especially adolescent girls, guaranteeing them education and health, affording them the right life skills and real choices. Doing so would help to lift millions of people out of poverty, raise living standards and establish a foundation for sustained, resilient development.

54. In order to achieve those goals, as laid out in its strategic plan, 2014-2017, and address the post-2015 development challenges, UNFPA was making itself more 'fit for purpose' by stepping up its engagement with strategic partners and investing in its communications, resource mobilization and outreach sectors, establishing a new Division for Governance and Multilateral Affairs, including an environmental scanning unit and two liaison offices, and a new Division for Communications and Strategic Partnerships. The new divisions would introduce a more holistic approach to its partnership engagements, allowing UNFPA to better tell its success stories, advocate for issues and redefine its resource mobilization strategy for the post-2015 development environment. The Executive Director noted that the changes were cost-neutral and would benefit country-level programming, including by reassigning senior staff to the field. UNFPA was reinforcing its management in the areas of audit, investigation, evaluation and oversight while promoting a culture of ethics, integrity and mutual respect.

55. In light of the organizational realignments, the Executive Director, thanking Member States for the financial contributions, drew attention to the fact that the non-core resource base (other resources) was surpassing the core resource base (regular resources). Noting the challenge posed by the volatility of global market exchange rates, he encouraged donors to maintain their contributions so the Fund could effectively plan its activities. UNFPA had established a new Non-core Funds Management Unit to ensure that non-core resources were used effectively and allocated to countries most in need. It would also report to donors on the added value of non-core resources for UNFPA, thereby demonstrating its commitment to accountability and results. In order to implement its ambitious agenda, UNFPA was engaging with a range of partners at country level and with the private sector, and facilitating South-South cooperation and technical exchanges. Sharing expertise and best practices was therefore key. Data for development would thus be a corporate priority for 2015 and beyond – focused on a steady flow of high-quality, timely, authoritative and accessible data to track progress on the sustainable development goals – working with governments, civil society, the private sector and other partners.

56. The Executive Director stated that UNFPA was committed to driving change with partners through the 'delivering as one' approach, using its standard operating procedures as a practical, collective implementation tool for the post-2015 development agenda. He appealed to Member States to hold the United Nations accountable for the integration and coherence of its policies, programmes, funding and business operations, while ensuring the post-2015 development agenda and the sustainable development goals were grounded in human rights and inclusive growth.

57. Board members commended the Executive Director for his strong leadership of UNFPA, especially in guiding the 20-year review of ICPD and in helping to ensure ICPD principles were a main feature of the post-2015 development agenda, including through a strong set of

indicators. While much progress had been made since 1994, many challenges remained, including the need to step up ICPD implementation and mobilize additional resources. Delegations underscored their unwavering support for sustainable development goals grounded in respect for human rights and inclusive growth, the realization of which UNFPA had a unique role to play in preserving and protecting the rights of women and girls to sexual and reproductive health and rights, including access to family planning and health services, and in fostering a promising future for youth, especially adolescent girls. They were keen to see a reduction in women dying in childbirth and children in infancy, and expressed strong support for the Fund's work in ending female genital mutilation/cutting, and early and forced marriage.

58. Delegations encouraged UNFPA to continue to work with programme countries, at their request, to integrate population policies into overall national development plans and to increase its capacity-building activities, especially to support the capacity of programme countries to collect and analyse data. They strongly supported the Fund's prioritization of youth issues, especially in national development planning, through increased investment in education and promotion of youth employment. They emphasized the importance of respecting national ownership and national priorities, and looked forward to continued transparency and accountability in financial management and in monitoring and evaluation.

59. Member States welcomed the Fund's second-generation humanitarian strategy, which integrated a focus on gender equality, was based on gender-disaggregated data, and included efforts to tackle gender-based violence in humanitarian settings. Delegations saw UNFPA as a trusted partner in humanitarian emergencies, supporting women in gaining equal access to health commodities and family planning. In that regard, they fully supported the proposed increase in the humanitarian response fund, and the establishment of a humanitarian response reserve, as these funds would allow UNFPA to respond more quickly to countries' request for assistance during emergencies. Similarly, delegations expressed appreciation and support for the Fund's work to address the urgent needs of vulnerable populations in crisis settings, including access to reproductive and mental health services, especially in response to gender-based violence. In that regard, they encouraged senior management to urgently prioritize filling the gender-based violence coordinator position.

60. Delegations expressed full support for the management changes the Executive Director proposed, stating that it would lead to positive results for UNFPA, including a closer engagement with Member States, more responsive relationship with the Executive Board, and greater capacity to respond to the increased demands of the post-2015 development agenda. It was noted that recent internal reforms had allowed UNFPA to improve its service delivery, especially through increased core funding to its global programme to enhance reproductive health commodities. In that light, three suggestions were made: UNFPA should continue to seek to broaden its global programme funding base; prioritize implementation of its new system to improve programme management, data collection, monitoring, evaluation and results reporting; and expedite the finalization of its risk management strategy.

61. In response, the Executive Director thanked Board members for drawing attention to the unique mandate of UNFPA, both in development and crisis settings, and for supporting its proposed actions to bolster its humanitarian response capacity. He noted the unprecedented number of complex 'level-three' crises in 2014, a situation Member States and the United Nations would have to continue to address for the foreseeable future. The Fund was strengthening its crisis surge capacity in an effort not only to provide much needed health services but also to facilitate the transition to longer-term stability. UNFPA would participate in the Third World Conference on Disaster Risk Reduction in March 2015 to ensure that sexual reproductive health and reproductive rights were reflected in the outcome document.

62. Turning to population dynamics, the Executive Director stressed the importance UNFPA placed on engaging youth in order to build resilient societies and communities made up of healthy populations. Noting his chairmanship of the World Economic Forum Global Agenda

Council on the Demographic Dividend, 2014-2016, he drew attention to contemporary thinking that emphasized a focus on the continuum of life and the ageing process in any development approach.

63. Regarding oversight, the Executive Director noted that UNFPA would continue to build its accountability profile, and reiterated the Fund's commitment to transparency in reporting not only to donors but also to beneficiaries. While thanking Board members for their generous financial contributions, he stressed that funding continued to be an issue. He encouraged Member States to work with UNFPA to close the funding gap, in particular for the global programme's reproductive health commodity security component as well as for the regular budget, and to benchmark their contributions to the United States dollar.

64. In closing, the Executive Director restated the Fund's commitment to engaging with all partners in ensuring that the ICPD principles and priorities were reflected in the post-2015 development agenda and the future sustainable development goals.

Oversight

65. The Director, Office of Audit and Investigation Services, UNFPA, presented the report of the Executive Director on the revised oversight policy (DP/FPA/2015/1). She acknowledged the contribution of other UNFPA offices, particularly the Legal Office, in the formulation of the policy.

66. Board members commended UNFPA for the revised oversight policy, and welcomed the Fund's proactive, consultative process with delegations. They also commended its leadership in setting a clear, unambiguous tone for effective oversight, and expressed satisfaction with management's demonstrated commitment to transparency, accountability and dialogue with Member States, as well as with the Director, Office of Audit and Investigation Services, for leading the revision process in collaboration with the Evaluation Office and the Ethics Office.

67. Delegations praised the broadened 'concept of oversight' and the notion of shared responsibilities between governing bodies, management and other fiduciary entities, commended the measures taken to strengthen transparency of information, and highlighted the trend toward clearer roles and responsibilities within UNFPA in the areas of audit, investigation and evaluation. Those measures, they noted, would contribute to building a stronger culture of accountability and good governance, and, ultimately, ensure greater effectiveness and quality of country programme implementation.

68. Delegations looked forward to the policy's effective implementation, which, they noted, set high standards of integrity and professionalism, and to continued improvements in programme performance through a comprehensive, transparent and rigorous assurance system. Effective implementation, they underlined, would require management to carefully appraise and adjust organizational arrangements, capacities and resources. They requested regular updates on the application of the policy and stood ready to engage in dialogue as needed to address any gaps.

69. The Director, Office of Audit and Investigation Services, UNFPA, thanked delegations for their support and looked forward to working with them on implementing and further improving the oversight policy.

70. The Executive Board adopted decision 2015/2: Revised UNFPA oversight policy.

VI. Financial, budgetary and administrative matters

71. The Deputy Executive Director (Programme), UNFPA, presented the report on scaling up UNFPA humanitarian response funding (DP/FPA/2015/2).

72. Board members expressed concern at the unprecedented number of complex conflicts and crises in 2014 and its dire consequences, including the mass movement of refugees and displaced persons. Noting that the number of simultaneous crises had overburdened the United Nations system, they drew attention in particular to the lack of funding allocated to sexual and reproductive health and reproductive rights services in crisis situations, and underlined the unique role of UNFPA in delivering such services and in co-leading efforts to tackle gender-based violence in conflict settings. They encouraged UNFPA to take a targeted approach based on its comparative advantages, including a clear division of labour with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

73. Similarly, UNFPA has a leading role to play in mainstreaming, at an early stage, comprehensive sexual and reproductive health and reproductive rights, as well as the prevention of sexual and gender-based violence, into humanitarian response planning, implementation and resource mobilization. On a related note, delegations noted with appreciation the high rating UNFPA received for its normative and advocacy roles in humanitarian situations, but stressed the importance of building its risk management capacity in tandem with bolstering its humanitarian response and reporting on results.

74. Board members supported the proposed two-pronged approach: to increase the annual allocation for emergencies, from a ceiling of $5 million to $10 million, and to set up a one-time humanitarian response reserve at $10 million from regular resources. There was, however, a request for more detailed information on the underlying funding structure, as well as its possible impact on the implementation of the strategic plan, 2014-2017, and on country-level programming. That information should include an assessment of the consequences expected on other strategic areas as well as the projected longer-term scenario for future UNFPA development needs and humanitarian response. It was further noted that the United Nations should design sustainable development and humanitarian assistance strategies, aimed at preventing crises before they happen.

75. Reaffirming the indispensable role of the United Nations as global coordinator in the humanitarian response system, delegations welcomed UNFPA commitment to collaborating and coordinating its humanitarian response with other United Nations system organizations through the humanitarian coordination mechanisms, in an effort to guarantee ever greater efficiency and effectiveness. They encouraged UNFPA to play a crucial role in aligning prevention measures through the road map operationalizing the Call to Action on Violence Against Women and Girls in Emergencies; actively join discussions with other United Nations organizations to design system-wide solutions, building in particular on private-sector expertise and experience; take part in designing the Inter-Agency Standing Committee guidelines on gender-based violence; and actively participate in preparations for the World Humanitarian Summit in 2016.

76. In response, the Deputy Executive Director (Programme), UNFPA, thanked delegations and expressed appreciation for their strong support. Pointing to the unprecedented number of humanitarian crises worldwide, she highlighted that adjustments were needed so that UNFPA could continue to effectively implement its Board-approved strategic plan, 2014-2017, and simultaneously address the multiple complex humanitarian crises that had arisen. She stressed that the UNFPA strategic plan was not premised on specific contexts but rather on a core strategic objective – the fundamental rights of women and girls in all contexts – the priorities of which had not changed. What has changed is the need for rapid scaling-up to address unforeseen crises and to adjust modalities of operation accordingly. She pointed out that the one-time humanitarian response reserve would account for a mere 0.5 per cent of the annual budget, and represented only 0.025 per cent over the lifetime of the strategic plan; its impact, however, would be immense and propel the strategic plan's effective delivery to those most in need.

77. She reaffirmed the Fund's unwavering commitment to coordinating closely with the United Nations development and humanitarian mechanisms. In the last two years, UNFPA had strengthened its alignment, collaboration and contribution to the United Nations humanitarian

system through emergency director meetings, field collaboration, and active participation in inter-agency steering committees and in preparing the Third World Conference on Disaster Risk Reduction, scheduled for March 2015, and the World Humanitarian Summit in 2016, while co-leading the work stream on humanitarian response of the Secretary-General's Every Women, Every Child Global Strategy Renewal Process.

78. She assured delegations that the increased allocations for the humanitarian response fund and the humanitarian response reserve would be implemented according to the Board-approved business model and kept within the spirit of the resource allocation system, which features 'fragility' and 'crisis' as criteria. She looked forward to continued engagement with the Board on these matters.

79. The Executive Board adopted decision 2015/3: Scaling up UNFPA humanitarian response funding.

VII. Country programmes and related matters

80. The Deputy Executive Director (Programme), UNFPA, introduced the draft country programme documents for Madagascar (DP/FPA/CPD/MDG/7) and Mali (DP/FPA/CPD/MLI/7), as well as the second, nine-month extension of the country programme for Colombia, the first two-year extension of the country programme for Myanmar, and the first one-year extensions of the country programmes for Iraq and the Lao People's Democratic Republic (DP/FPA/2015/4).

81. After the Madagascar Secretary General, Ministry of Economy and Planning, Jean Gabriel Randrianarison, presented the country programme document for his country, the Regional Director for East and Southern Africa and the Regional Director for West and Central Africa elaborated on the draft country programme document for Madagascar and Mali, respectively. The Regional Director for Latin America and the Caribbean elaborated on the extension of the country programme for Colombia and the Deputy Regional Director for Asia and the Pacific elaborated on the extension of the country programme for Myanmar.

82. Delegations thanked the Executive Board for considering their programmes and UNFPA for its support. They commended UNFPA for developing the draft country programmes in close collaboration with the national authorities, for drawing on lessons learned from previous cycles and for aligning with national development plans and strategies. They highly valued the Fund's technical support and provision of sexual and reproductive health and reproductive rights services, including advancing rights-based family planning, especially for women and girls, as well as its focus on youth and its work to tackle gender-based violence.

83. The Executive Board reviewed and approved, in accordance with its decision 2014/7, the following country programme documents: Madagascar and Mali.

84. The Executive Board approved the nine-month extension of the country programme for Columbia and the two-year extension of the country programme for Myanmar.

85. The Executive Board took note of the first one-year extensions of the country programmes for Iraq and the Lao People's Democratic Republic.

UNOPS segment

VIII. Statement by the Executive Director

86. In her opening address to the Board (available on the UNOPS Executive Board website), the Executive Director thanked the outgoing President and Vice-Presidents for their

commitment and support throughout 2014 and congratulated the newly elected President and Vice-Presidents for 2015. Underscoring the importance of the Board's strong support, she affirmed that UNOPS was on solid financial and operational footing. 2015 marked the 20th anniversary of UNOPS becoming an independent, self-financing United Nations entity and its role continued to be clear: delivering advisory, implementation and transactional services in project management, infrastructure and procurement, while supporting the development, humanitarian and peacebuilding objectives of its partners.

87. Noting the importance of 2015, in which Member States would define the post-2015 development agenda and the future sustainable development goals, the Executive Director affirmed UNOPS commitment to working with all partners on implementation. As per its mandate, UNOPS contributed to a fit-for-purpose United Nations system through a management perspective built on best practices and technical knowledge in its areas of expertise. UNOPS embraced change as a principle, aided often by modern technology that improves processes, methodologies and tools and ultimately ensures efficient and effective development solutions. In 2015, UNOPS would implement its business innovation and improvement programme to transform the technology underpinning its delivery platform.

88. Asserting UNOPS readiness to measure its work against independent external standards, the Executive Director was pleased to report that in late 2014 UNOPS was the first United Nations organization to become Occupational Health and Safety Management Systems (OHSAS) certified for its infrastructure practices. That certification was added to the many others it had received, including for its quality management systems, project management practices, sustainable procurement practices, infrastructure practices and environmental management system practices – all certified against the highest international standards. UNOPS commitment to and adoption of those external standards ensured its ability to mitigate operational risks. For that reason, UNOPS was submitting for Board approval a proposal to strengthen its Audit Advisory Committee and establish a separate Strategic Advisory Group of Experts to advise on industry best practices and standards. Board approval would further align UNOPS governance and accountability mechanisms with other United Nations organizations.

89. Cooperation and partnership building were of paramount importance to UNOPS. The organization looked forward to the World Conference on Disaster Risk Management in Sendai, Japan in 2015, where it would have the opportunity to share the lessons learned and best practices from its widely acknowledged disaster risk management for resilience programme, focused on infrastructure. UNOPS placed a high premium on partner satisfaction as a key indicator of its success and a tool to reassess its priorities. Recent partner feedback revealed overall high levels of satisfaction, with a notable increase in the number of partners that recommended UNOPS. In order to reinforce its accountability and transparency further, UNOPS had taken up the Secretary-General's call for a data revolution and was partnering with UNDP on the International Aid Transparency Initiative to embrace data-driven, evidence-based development solutions.

90. UNOPS was keen to use its expertise to play an active role in linking partners to innovative solutions for sustainable development across a wide range of fields. Noting the changing donor environment, the Executive Director encouraged private investors to finance sustainable economic development through investments that prioritize social and environmental development.

91. Board members commended the Executive Director and UNOPS for a continuing tradition of strong leadership. They reaffirmed their support for the organization's unique mandate and proven track record, through which as a self-financing agency it had demonstrated that the United Nations could execute development projects to the highest standards without relying on Member States' funding. They welcomed its continuing efforts to improve the quality of services it provided and enhance transparency and accountability. They appreciated the steps taken to benchmark its work against the highest international standards in engineering and

project management, which had earned UNOPS a well-deserved reputation for efficiency and effectiveness, as well as transparency.

92. Delegations encouraged UNOPS to continue to leverage its comparative advantages, giving priority to operations and maintaining excellence in project management and delivery while paying close attention to financial stability, improving quality of work, and strengthening internal controls and trainings. They commended UNOPS for striving toward ever greater sustainability and looked forward to its continued effective managerial and procurement services in support of developing countries. They highly valued UNOPS principled focus on national ownership and leadership grounded in capacity development, a key factor in achieving sustainable development.

93. Similarly, delegations welcomed UNOPS efforts to improve oversight by strengthening its Audit and Advisory Committee and by establishing a Strategic Advisory Group of Experts, actions that raised the bar for the entire United Nations development system. They were pleased to note that the terms of reference of the proposed committee were harmonized with those of the UNDP Audit Advisory Committee, ensuring that the committee's oversight functions did not infringe on those of the Executive Board. Those steps would also help to ensure UNOPS capacity for greater organizational and risk management. They welcomed UNOPS design of a new strategy for disaster risk reduction and requested information on its implementation plans. Within the context of ensuring quality data for the post-2015 agenda, they sought more information of UNOPS work with the International Aid Transparency Initiative.

94. Welcoming the organization's new cooperation strategy to broaden and tighten its partnerships with other United Nations organizations, the governments and private sector, delegations looked forward to receiving more information on how the strategy was being prepared and when UNOPS would present it to the Board. UNOPS spearheading of innovative approaches – including by building environmental sustainability into its operations, promoting gender parity into its ranks, and training of nationals – made it an attractive partner to deliver on the capacity building components of the post-2015 development agenda.

95. In response, the Executive Director thanked Board members for supporting UNOPS efforts to drive excellence. UNOPS was enthusiastic about its new disaster risk reduction strategy, which it would present at the World Conference on Disaster Risk Management in 2015. The strategy introduced a new method to assess damages but most importantly focused on how to assure resilient reconstruction. Many partners had accepted UNOPS partnership broadening proposal, which the organization would continue to extend in an effort to expand its partnerships, building on its commitment to transparency. On procurement, UNOPS was ready to provide the Board with additional information on its procurement streams within the context of balancing development priorities with quality of services. In closing, she thanked the Board for approving the proposal to strengthen the Audit and Advisory Committee and establish an Advisory Group of Experts, and looked forward to working with delegations throughout 2015.

96. The Executive Board adopted decision 2015/4: Strengthening of the UNOPS Audit Advisory Committee.

Joint segment

IX. Recommendations of the Board of Auditors

97. The Associate Administrator, UNDP, introduced the report of UNDP on the implementation of the recommendations of the Board of Auditors for 2013 (DP/2015/8 and annexes). The Deputy Executive Director (Management), UNFPA, introduced the UNFPA follow-up to the report of the United Nations Board of Auditors for 2013: status of implementation of the recommendations (DP/FPA/2015/3 and annexes). The Deputy Executive

Director, UNOPS, introduced the report of UNOPS on the status of the implementation of the recommendations of the Board of Auditors for 2013 (DP/OPS/2015/1).

98. Board members appreciated the progress the organizations had made in implementing previous recommendations, in particular the top audit-related priorities for 2012-2013. Overall, they welcomed the unqualified audit opinions each organization received for 2013, the second year of their International Public Sector Accounting Standards implementation, and were pleased to note the lower number of high priority recommendations for the 2014-2015 biennium. Emphasizing the importance of effective implementation of recommendations, delegations noted that the rate of implementation had remained low for both UNDP and UNFPA during the biennium, including for the resolution of long outstanding recommendations. They urged the organizations to accelerate implementation in 2015, and requested strong executive-level commitment to ensure accountability for the process and to reduce the overall risk level. That said, the Board commended UNDP for the notable progress it had made on long outstanding recommendations by January 2015.

99. Member States recognized UNDP and UNFPA actions to strengthen procurement by promoting greater efficiency, transparency, accountability and compliance. They encouraged both to continue to strengthen procurement through further reforms, particularly in procurement planning, capacity and compliance (in close coordination with other United Nations development system organizations) in order to make country offices more efficient. Recognizing UNFPA improvements to its vendor performance evaluation tool, they asked the Fund to closely review those processes to ensure continued compliance and effectiveness in all business units. Delegations encouraged both UNDP and UNFPA to continue their efforts in strengthening asset management. Furthermore, they welcomed both organizations' progress in addressing employee benefit liabilities and looked forward to hearing their positive experiences.

UNDP

100. Board members commended UNDP for its hard work in achieving its new ranking as the most transparent development organization in Publish What You Fund's Aid Transparency Index. They welcomed the organization's plan to address: the top eight audit-related priorities for 2014-2015; harmonized approach to cash transfers and assurance processes for national implementation; programme and project design, monitoring and evaluation; and procurement and fraud.

101. Delegations recognized the organization's challenges in implementing the harmonized approach to cash transfers and national implementation modalities – most notably the lack of assessments conducted on the harmonized approach to cash transfers at country level, and the weaknesses in monitoring of implementing partners in national implementation. Recognizing that UNDP was in the process of rolling out a revised harmonized-approach-to-cash-transfers framework and building an implementation-tracking database, they encouraged the organization to coordinate its work toward greater compliance with wider efforts to improve programme quality and performance.

102. Board members noted the set of challenges that UNDP faced in programme and project design, monitoring and evaluation, and indicated that they would closely monitor progress in that area, especially country office performance, and stressed the importance of fostering a culture of accountability throughout UNDP. They urged UNDP to take measures to address the recurring qualified audits of implementing partners, and to give high priority to quality assurance of programming and results-based management at country level. In general, they encouraged UNDP to strengthen its capacity to manage and work with implementing partners.

103. On the issue of fraud, noting the Board of Auditors' appraisal that UNDP needed to reassess fraud risks and set up potent counter measures – despite improvements resulting from a strengthened global payroll system and a clarified division of authority – delegations looked forward to more detailed information in future reports. While appreciating the challenges, they

expected continued vigilance in UNDP efforts to uncover and prevent procurement irregularities and other fraudulent practices. They looked forward to updates on future actions to maximize recovery opportunities.

UNFPA

104. Board members welcomed UNFPA progress in addressing the Board of Auditors recommendations, noting that overall liquidity levels had risen between 2012 and 2013. While acknowledging the need for UNFPA to hold sufficient cash balances, they emphasized the importance of managing the balances effectively. They were pleased with the risk-based audit cycle assessment undertaken and looked forward to further improvements to the internal audit cycle coverage. In that regard, delegations highlighted three main areas: business transformation, human resource management and financial reporting.

105. While Board members were pleased with UNFPA progress in strengthening country and regional office capacity, they were concerned that certain issues related to regionalization might undermine field office effectiveness, particularly clarity of roles, performance monitoring, and country and regional office alignment. While recognizing the vitality of the business case process, they asked for clarification on the overall corporate restructuring process. They urged UNFPA to provide additional training and resources to strengthen internal controls and risk management at country office level, and to consider options for delegating tasks to service centres – steps that might address recommendations pertaining to inventory management, oversight, procurement and collaboration with implementing partners. On human resource management, noting in particular UNFPA efforts to address the number of vacancies, delegations looked forward to an assessment of its possible impact on programme delivery.

106. Board members commended UNFPA for launching its global programming system, which would strengthen transparency and management of implementing partners. Recognizing the Fund's key capacity building work with implementing partners, delegations stressed the need to effectively address associated risks. They were pleased with UNFPA progress in overseeing consultants and temporary assistance, and looked forward to an update of the Fund's review of its policy on special service agreement holders and the creation of a new consultant roster. On financial reporting, Board members, welcoming the revised information on institutional costs and programme expenditure, requested that future updates on Board of Auditors recommendations be submitted with the Fund's financial report and audited financial statements.

107. In response, the Associate Administrator, UNDP, thanked delegations for their comments and assured them that UNDP would address their concerns, in particular regarding procurement, and would update them regularly on progress.

108. The Deputy Director, Bureau of Management, UNDP, focused his response on the harmonized approach to cash transfers. He highlighted that UNDP had undertaken a comprehensive review of its implementation modalities, the most prominent being national implementation, of which the harmonized approach to cash transfers was a component. UNDP had taken a five-pronged approach to addressing harmonized-approach-to-cash-transfer issues: (a) enforcement of procedures that worked well; (b) changes to procedures where needed, assisting country offices with related assessments, monitoring and procurement; (c) engaging in more effective dialogue with implementing partners and programme countries to weigh best options, in full respect for national ownership and the organization's capacity building role; (d) revising the corporate fraud prevention policy, aligning it with best practices and promoting national adoption of fraud policies, focused as well on recovery of funds; and (e) mainstreaming the harmonized-approach-to-cash-transfers modality throughout the country programming process, from start to finish, and in programming documents.

109. The Deputy Executive Director (Management), UNFPA, focused her response on resource mobilization and delivery, regional and country office capacities, human resource management

and procurement. On the issue of the Fund's retaining cash entering 2015, she reported that implementation rates in 2014 were unprecedentedly high, both for core and non-core resources, thanks to an uptake in delivery, reflecting strengthened regional and country office capacity and better oversight. There was a significant reduction in the number of findings by the external auditors hired to assess implementing partners' compliance, marking an overall positive trend. To build on these positive trends, UNFPA had begun in 2014 to institute quarterly portfolio reviews on both the programme and management sides, to discuss implementation and vacancy rates, focused on the causes of delivery performance. She noted that the regionalization process, in tandem with the corporate restructuring, would come to full fruition in 2015, with the Fund's capacities strengthened in all areas of work: human resources, resource mobilization, communications, and monitoring and evaluation. UNFPA was currently updating its organizational handbook to clarify roles and responsibilities at different levels and the level of oversight expected. On human resource management, UNFPA had introduced a new human resources analytics post, aimed at addressing internal bottlenecks to hiring. In programming, the Fund was trying to pinpoint technical areas in which it had the most vacancies so that it could better target its hiring process in those areas. She thanked delegations for their support of the global programme system, focused on addressing bottlenecks to delivery. On procurement, UNFPA was keen to collaborate in joint procurement approaches with other United Nations organizations.

110. The Director, Division of Management Services, UNFPA, responded to issues related to cash management, financial reporting and operational excellence. Assuring delegations that UNFPA was closely monitoring inflows and outflows of its cash balance, he encouraged donors to promptly submit their pledged funding contributions, as that facilitated UNFPA programme planning. On training, the Fund had launched a certified accounting course for all its accountants to ensure updated IPSAS skills. Similarly, UNFPA had provided training on managing inventory funds to all focal points to assess and address risks. The Fund had started its operational excellence project in 2013 to review key business processes (finance, procurement, travel, human resources) and to determine how it could execute those processes more efficiently and effectively in support of programme delivery, especially in the context of the post-2015 development agenda. On country office capacity, UNFPA was taking concrete steps to align skills with the organization's business model and national priorities.

111. The Deputy Executive Director, UNOPS, focused his response on UNOPS disclosing of all project data on its website during the previous five years, an initiative that had prompted it to seek International Aid Transparency Initiative certification, which UNOPS was awarded in 2012.

112. The Director, External Audit, United Nations Board of Auditors, noted that panel participants had faithfully presented the Board of Auditors recommendations as laid out in its reports to the three organizations. Both UNDP and UNFPA had shown good progress in responding to current and past recommendations, as validated by the drop in the number of recommendations from one year to the next. He noted, however, that there were timing variations in the organizations response and self-assessment. There were also certain expectation gaps in the response, in particular in terms of recurring recommendations. As part of its focus on transparency, the Board of Auditors had created a template the organizations should follow when reporting on fraud to ensure uniformity on the issues addressed. A final version of the template would be ready for March 2015. The Board of Auditors encouraged the organizations to submit their annual financial statements earlier than prescribed by their financial regulations and rules to afford the auditors more time to complete their work in order to avoid issuance of sub-par audit opinions.

113. The Executive Board adopted decision 2015/5: Reports of UNDP, UNFPA and UNOPS on the status of implementation of the recommendations of the Board of Auditors for 2013.